

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



This paper will be published

SRA March 2025 to June 2025 Performance Report

Reason for papers	These papers (items 8 and 9) provide the Board with an overview of the performance report for the four month period ended 30 June 2025 and a report covering the management of the SRA's key risks set out in the Strategic Risk Register (SRR).
Decisions(s)	The Board is asked to: <ul style="list-style-type: none"> a) note the content of the performance report and the overall assessment of performance b) note the update on the Legal Services Board (LSB) performance assessment.
Previous Board and committee consideration	The Board receives performance reports and Strategic Risk updates on a regular basis, three times per annum.
Next steps	The third and final performance pack for 2024/25, covering the final four months of the year, including the Strategic Risk Register, will come to the Board at its meeting in January 2026.

If you have any questions about this paper, please contact Liz Rosser, Executive Director Operations and Resources, liz.rosser@sra.org.uk

SRA March 2025 to June 2025 Performance Report

Purpose

- 1 This paper provides the Board with an overview of the performance report for the second four month period ended June 2025.

Introduction

- 2 The Board is asked to consider five separate documents which, together with this summary, provide the Board with an update on performance for the period ended June 2025. These are:
 - Annex 1: Financial performance and position
 - Annex 2: Balanced Scorecard with supporting commentary
 - Annex 3: Business plan progress
 - Annex 4: LSB Performance Assessment Update
 - Agenda item 9: SRA Strategic Update

2024/25 business plan performance update

- 26 activities to report against in our business plan.
- 23 'green', delivered or on track to be delivered commitments, one 'amber' where we were only able to partially deliver the commitments, one 'red' where a commitment is not on track to be completed in the period, and one "blue" where the commitment is only deliverable at a later point in the year.

Key achievements

Risk and Data programme	<ul style="list-style-type: none"> • We developed our draft risk and data strategy. • We developed a proof of concept for a SharePoint data migration and completed a tender exercise to select a partner to deliver this key project. • We approved funding for developing a data catalogue. • We developed a tool to bring together existing information we hold on law firms to issue to key staff.
Support for small law firms to adopt technology	<ul style="list-style-type: none"> • We publicised research on sole practitioners and small firms' use of technology, their views on innovation and the support they would most value, at roadshows in Birmingham and Leeds, and a Legal Geek event for small law firms.
Building on our stakeholder perception profiling	<ul style="list-style-type: none"> • We conducted extensive market testing on how solicitors engage with our messaging on Anti-Money Laundering (AML) and applied the learnings across our wider work. • We have adopted a campaign-based approach across issues such as the Solicitors Qualifying Examination (SQE), AML and high-volume claims, with the objective of driving greater engagement.

Exceptions

- 3 Our report and investigation case working progress is the one material exception on performance delivery during the reporting period.
- 4 This financial year we have seen a sustained increase in the number of reports received on solicitors, with the average number per month rising by 24%, from 1,024 last financial year to 1,266. The trend is upwards; with a record 1,513 reports received in June. The Assessment and Early Resolution Team (AERT) has increased the average number of monthly assessments completed by 15% this financial year compared to last year.
- 5 The net result of the increase in receipts and in closures is an increase in the average days to complete initial assessments from 44 days at the end of February to 49 days in June 2025. Our target is for 80% of assessments to be completed within two months of receipt, and this was exceeded or met in most months last financial year. However, we have not met this target in any month this year. In the second four months of this financial year our case completion has reduced from 47% completed within two months to 36%.
- 6 We have also seen increases in the number of cases being taken through for investigation, as a result of the increase in reports received. The average number of new investigation cases per month this financial year increased by 43% compared to last year. While the Investigation team has increased the average number of monthly investigation case closures by 24% this financial year, the average days for closing investigation cases increased from 97 to 100 days over the period.
- 7 The increase in reports received and investigation case closures this financial year compared to last year has been possible as a result of the continuous improvement changes made over the previous two years. We have been initiating further improvements and recruiting additional temporary and permanent resource to address the challenge.
- 8 However, the increased closure level is not matching the increase in volumes, which is leading to an increase in our overall number of cases in progress.
- 9 Our business plan commitment is to “continue to implement and embed improvements to our casework processes”. This commitment continues to be challenging to fully deliver due to the significant increase in the volume of reports received on solicitors and in the volume of investigation cases. An AERT improvements project has been initiated to improve timeliness via streamlined decision making, as well as improving the customer experience when submitting reports.

Financial performance

- 10 There was a small deficit of £37k for the period, which was £2.8m better than forecast. This positive variance was driven by a combination of non-staff and project costs being more end-loaded than expected and greater than anticipated recovery of Solicitor Disciplinary Tribunal costs and practicing certificate fee income.
- 11 We have updated our forecast for 2024/25 and now forecast a deficit of £6.9m (previous forecast was for a deficit of £8.2m), which would reduce unrestricted reserves to £15.7m, below the bottom of our reserves range of from £17.7m to £25.0m. The proposed 2025/26 practising fee is expected to achieve a balanced budget in that year. When setting the 2026/27 practising fee we will need to consider the appropriate approach towards increasing reserves as necessary.
- 12 The deficit continues to be a result of additional costs recognised by the Board after the initial budget had been set. These were to deliver agreed investment to manage the significant increases in case volumes, including associated increased legal costs and due to a greater complexity of cases, as well as the risk and data and consumer protection programmes.
- 13 We forecast that towards the end of the 2024/25 financial year the Compensation Fund will not need to use the Barclays overdraft facility. The level of activity in SIF is within expectations, and there is no material change in the value of provisions or investments.

LSB performance assessment

- 14 The Board has been receiving assurance against the LSB's performance assessment since June 2023 following a letter from the LSB which set out a suggested approach for how the Boards of regulatory bodies might seek their own assurance for how regulators were performing against the LSB's regulatory performance framework.
- 15 The Board has agreed that the updates it receives on the LSB's performance assessment should concentrate on the areas of focus set out in the most recent LSB performance report for the SRA, as well as the areas set out for all regulators to focus on. The Board also asked for a summary of LSB consultations / position papers and our response to them. The latest update is provided in annex 4.

Strategic Risk Register

- There continue to be five strategic risks and two continue to be outside our risk appetite. These are risk based regulation and investigation and enforcement. This is considered in a separate paper under agenda item 10.

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Items for discussion

- We are seeing challenges in achieving our investigations targets due to a significant increase in volumes. We expect this to continue and are taking steps to address this issue.
- Our forecast deficit for the year and our forecast to have year-end unrestricted reserves of £15.7m, which would be below the range set in our reserves policy.

Recommendations: the Board is asked to:

- a) **note the content of the performance report annexes and the overall assessment of performance**
- b) **note the update on the LSB performance assessment**

Next steps

- 16 We will continue to report regularly to the Board on our performance. The third and final report on 2024/25 performance will be in January 2026 and will cover the final four months of the reporting year.

Annexes

Annex 1	Financial performance update
Annex 2	Balanced Scorecard
Annex 3	Business Plan update
Annex 4	Legal Services Board Performance assessment update

NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive